

1. (Currently amended) A method of managing product returns comprising the steps of:

interrogating a radio frequency product label on a product returned to a store by a radio frequency product label interrogator controlled by a computer;

identifying the product from information obtained from a memory of the radio frequency product label by the computer;

recording operator authorization to add the product to inventory by the computer; and

adjusting inventory records to reflect addition of the product to inventory by the computer.

2. (Currently amended) A method of managing product returns comprising the steps of:

interrogating a radio frequency product label on a product returned to a store by a radio frequency product label interrogator controlled by a computer;

identifying the product from information obtained from a memory of the radio frequency product label by the computer;

determining whether the product was sold by the store by the computer; and

only if the product was sold by the store,

recording operator authorization to add the

product to inventory by the computer; and

adjusting inventory records to reflect addition of the product to inventory by the computer.

3. (Currently amended) A method of managing product returns comprising the steps of:

activating a radio frequency product label on a product returned to a store by a computer;

interrogating the radio frequency product label by a radio frequency product label interrogator controlled by the computer;

identifying the product from information obtained from a memory of the radio frequency product label by the computer;

recording operator authorization to add the product to inventory by the computer; and

adjusting inventory records to reflect addition of the product to inventory by the computer.

4. (Currently amended) A system for managing product returns comprising:

a radio frequency product label affixed to the product, including a memory;

a radio frequency product label interrogator which obtains identification information from the memory of the

radio frequency product label; and

a computer which controls the radio frequency product label interrogator, identifies the product, records operator authorization to add the product to inventory, and adjusts inventory records to reflect addition of the product to inventory.

5. (Currently amended) A system for managing product returns comprising:

a radio frequency product label affixed to the product, including a memory;

a radio frequency product label interrogator which obtains identification information from the memory of the radio frequency product label; and

a computer which controls the radio frequency product label interrogator, identifies the product, determines whether the product was sold by the store, and, only if the product was sold by the store, records operator authorization to add the product to inventory and adjusts inventory records to reflect addition of the product to inventory.